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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION:
TRADE AND DEVELOPMENT

Economic measures as a means of political and economic coercion against developing countries

Note by the Secretary-General

1. The issue of economic measures as a means of political and economic coercion against developing countries has been on the agenda of the General Assembly for several years. Previous reports of the Secretary-General have summarized responses received from Governments and relevant bodies, organizations and agencies of the United Nations system regarding this matter (see A/40/596, A/41/739, A/42/660, A/44/510 and A/46/567). Those documents also dealt with some conceptual and legal problems related to the subject.

2. It should be recalled, in particular, that the former Office of the Director-General for Development and International Economic Cooperation convened, in cooperation with the United Nations Conference on Trade and Development (UNCTAD), an expert group meeting, in pursuance with General Assembly resolution 42/173 of 11 December 1987. The expert group met at Geneva from 1 to 3 May 1989 to consider effective approaches to the elimination of the use of coercive economic measures. The expert group was composed of 10 internationally renowned experts in the fields of international law, trade policy and trade law. The main conclusions reached by the expert group were as follows:

(a) There is no clear consensus in international law as to when coercive economic measures are improper, despite relevant treaties, declarations and resolutions adopted in international organizations which try to develop norms limiting the use of such measures. The international legal system also lacks adequate mechanisms for monitoring the use of such measures;

(b) Coercive economic measures can be identified according to their nature. The specific intent of the country imposing the measures is the most important criteria. The intent of imposing coercive economic measures is to induce changes in the non-economic policies - domestic or foreign - of the

receiving State. The intent criterion, however, does not include measures imposed with the intent of changing the economic policies of the receiving State, for instance specific tariff policies. The measurement of the impact of coercive economic measures requires adequate methodologies for measurement and criteria for judging the minimum requisite effect of such measures;

(c) Allowable exceptions, for instance the legality of coercive economic measures imposed for security reasons, should be defined narrowly;

(d) The United Nations should establish a capacity to deal with coercive economic measures. The designated entity should strive to develop the concept and related criteria, in close consultation with Member States.

3. Responding to General Assembly resolution 44/215 of 22 December 1989 on the subject and taking into account the conclusions submitted by the expert group, the Secretary-General, in a note to the forty-sixth session of the General Assembly (A/46/567, para. 4) stated:

> The Office of the Director-General, in close cooperation with UNCTAD and the regional commissions, intends to build upon these findings in order to strengthen the conceptual and legal framework for the assessment of coercive economic measures. It has been determined that this requires careful consideration and close contacts with the relevant research community in order to strengthen the conceptual basis. This will permit the elaboration of adequate frameworks for categorizing and assessing relevant information, including the determination of applicable criteria.

4. The General Assembly, in its resolution 46/210 of 20 December 1991, called upon the international community to adopt urgent and effective measures to eliminate the use by some developed countries of unilateral economic coercive measures against developing countries with the purpose of exerting, directly or indirectly, coercion on the sovereign decisions of the countries subject to those measures; deplored the fact that some developed countries continued to apply economic measures and, in some cases, had increased their scope and magnitude, as evidenced by trade restrictions, blockades, embargoes, freezing of assets and other economic sanctions incompatible with the Charter of the United Nations; called upon developed countries to refrain from making use of their predominant position in the international economy to exercise political or economic coercion through the application of economic instruments with the purpose of inducing changes in the economic, political, commercial and social policies of other countries; requested the Secretary-General to pursue fully his mandate as contained in paragraph 6 of Assembly resolution 44/215, through the Office of the Director-General for Development and International Economic Cooperation and in close cooperation with the United Nations Conference on Trade and Development; and also requested the Secretary-General to report to the Assembly at its forty-eighth session on the implementation of the resolution.

5. The Office of the Director-General for Development and International Economic Cooperation was abolished in the context of the first phase of the restructuring of the United Nations Secretariat, announced in February 1992. The respective functions in the economic and social areas were transmitted to the newly created Department of Economic and Social Development. In light of the experience with that phase of restructuring, the Secretary-General, in his

note of 3 December 1992 to the General Assembly (A/47/753), outlined further reforms in the economic and social sectors of the Secretariat. These were reflected in the Secretary-General's report of 4 March 1993 on the revised estimates of the programme budget for the biennium 1992-1993 (A/C.5/47/88) and approved by the Assembly under the terms of its resolution 47/212 B of 20 May 1993. That second phase of the restructuring involved the redistribution of functions of the Department of Economic and Social Development between the three newly established departments - the Department for Policy Coordination and Sustainable Development, the Department of Economic and Social Information and Policy Analysis and the Department of Development Support and Management Services - and UNCTAD. Furthermore, the eighth session of UNCTAD, held in Cartegena, Colombia, in 1992, redefined UNCTAD's programme of work. Consequently, owing to the new arrangements and newly established priorities and the fact that no further conceptual work on the subject has been carried out recently, the assignment of responsibilities for further work in this area has to be determined in the context of the new Secretariat structures.

6. It has also to be taken into account that, at the forty-eighth session of the General Assembly, related issues will be considered under agenda item 30, entitled "Necessity of ending the economic, commercial and financial embargo imposed by the United States against Cuba", pursuant to Assembly resolution 47/19 of 24 November 1992.

7. In the further definition of possible tasks in this area, the relevant conclusions of the expert group referred to in paragraph 2 above should be considered. These would include the following: the precise definition and classification of coercive economic measures; the further elaboration of specific legal norms; the refinement of methodologies to measure the impact of coercive economic measures; the establishment of adequate monitoring procedures; the definition of specific criteria for the assessment of coercive economic measures; the consideration of options for possible compensation mechanisms in qualified cases; the examination of an appropriate institutional capacity to deal with information gathering and assessment of concrete cases of coercive economic measures; and the examination of common conceptual features and differences between economic sanctions imposed by the United Nations and coercive economic measures.